

## **Diagnosis Related Group (DRG) Reimbursed Hospital Inpatient Paper TAR Requirements**

**(for eTAR submission please see eTutorial on line at [www.dhcs.ca.gov](http://www.dhcs.ca.gov))**

Physicians, podiatrists, pharmacies, medical supply dealers, outpatient clinics and laboratories use the *Treatment Authorization Request* (TAR, 50-1) to request approval from a Medi-Cal field office consultant for certain procedures/services. For a list of CPT-4 procedures requiring a TAR, refer to the *TAR and Non-Benefit List* section in the appropriate Part 2 manual. For addresses and telephone numbers of designated Medi-Cal field offices for a geographic area or specific service, refer to the *TAR Field Office Addresses* section of this manual.

For Inpatient Hospitals reimbursed under DRG methodology this section discusses the situations when TARs are required and the specific TAR types that should be utilized, as well as the kinds of documentation needed to establish medical necessity for acute inpatient hospitalizations.

### **Hospital Inpatient TAR Requirements When a Beneficiary Has a Full Scope Aid Code:**

- Normal Newborn (Well Baby) Hospitalizations – No TAR is required. Reimbursement is based on a diagnosis-related group (DRG).
- All Non-Well Baby Hospitalizations – An Admission TAR is required. Reimbursement is based on a DRG.
- Pregnancy Related Admission Without Delivery – An Admission TAR is required. Reimbursement is based on a DRG.
- Pregnancy Related Admission With Delivery – No TAR is required. Reimbursement is based on a DRG.
- Acute Inpatient Intensive Rehabilitation (AIIR) Stays – Each day requires approval on TAR. Reimbursement is per diem and dependent upon the number of approved days on the TAR(s).
- All Other Non-AIIR Medical and Surgical Admissions, Whether Elective Or Emergency – An Admission TAR is required. Reimbursement is based on a DRG.
- Hospice General Inpatient Care (Z7106) – Each day requires approval on TAR. Reimbursement is per diem and dependent upon the number of approved days on the TAR(s). Generally, the Hospice Provider submits this TAR.
- Acute Administrative Days (Level 1) – Each day requires approval on TAR. Reimbursement is per diem and dependent upon the number of approved days on TAR(s) along with allowable billed ancillary services.

- Acute Administrative Days (Level 2) – Each day requires approval on TAR. Reimbursement is per diem and dependent upon the number of approved days on TAR(s) along with allowable billed ancillary services.

Hospital Inpatient TAR Requirements When a Beneficiary Has a Restricted Aid Code (i.e. Restricted to Pregnancy and Emergency Care):

- Normal Newborn (Well Baby) Hospitalizations – No TAR is required. Reimbursement is based on a DRG.
- All Non-Well Baby Hospitalizations – An Admission TAR is required. Reimbursement is based on a DRG.
- Pregnancy Related Admission Without Delivery – Each day requires approval on TAR. Reimbursement is based upon DRG. (When one or more days are denied on the TAR there is the potential for repricing of these claims. For these TARs, days may be denied as a result of care not related to an emergency or pregnancy, i.e. outside the scope of allowable services. For additional information regarding Emergency and Pregnancy related care please refer to the Medi-Cal Manual of Criteria (MOC) Chapter 4 and 42 C.F.R Section 440.255.)
- Pregnancy Related Admission With Delivery – No TAR is required. Reimbursement is based on a DRG.
- All Other Emergency Medical And Surgical Admissions – Each day requires approval on TAR. Reimbursement is based on a DRG. (When one or more days are denied on the TAR there is the potential for repricing of these claims. For these TARs, days may be denied as a result of care not related to an emergency or pregnancy, i.e. outside the scope of allowable services. For additional information regarding Emergency and Pregnancy related care please refer to the Medi-Cal Manual of Criteria (MOC) Chapter 4 and 42 C.F.R Section 440.255.)

**DRG Reimbursed Hospital Inpatient Treatment Authorization Requests (TARs)**

- Admission TAR for Acute Inpatient Stays–
  - **Use of the 50-1 TAR:** An admission 50-1 TAR should be used for elective non-emergency admissions. For these requests, the units of service for Hospital Days (Type of Day i.e. Acute is “0”) would be 1. Authorization for surgical procedures using specific CPT-4 codes may be requested on the same 50-1 TAR form if the procedures require a TAR. However, if the submitting provider prefers, these procedures may be also be submitted on a separate 50-1 TAR.
  - **Use of the 18-1 TAR:** An admission 18-1 TAR should be used for any emergency admissions. For these requests, the units of service for Hospital Days (Type of Day is “0”) would be 1. Authorization for any

associated surgical procedures would need to be submitted using a 50-1 TAR and the specific CPT-4 codes that are applicable.

- The required documentation for an Admission TAR would consist of all necessary documentation to establish the medical necessity for an inpatient acute hospitalization. This documentation may consist of the History and Physical, daily medical progress notes, nursing notes, laboratory results, imaging reports, prior inpatient or outpatient records, and/or discharge summary, etc. In addition, if any procedures are being requested on the same 50-1 TAR, documentation establishing the medical necessity for these procedures would also be required.
- TAR for Approval of Each Day –
  - **Use of the 50-1 TAR:** When all days in an elective non-emergency admission require TAR approval a 50-1 TAR should be used. For these requests, the units of service for Hospital Days (Type of Day, i.e Acute is “0”) would depend on the number of requested acute Inpatient Hospital Days. Authorization for surgical procedures using specific CPT-4 codes may be requested on the same 50-1 TAR if the procedures require a TAR. However, these procedures may be also be submitted on a separate 50-1 TAR if the submitting provider prefers.
  - **Use of the 18-1 TAR:** When all days of an emergency admission require TAR approval an 18-1 TAR should be used. For these requests, the units of service for Hospital Days (Type of Day is 0) would depend upon the number of requested acute Inpatient Hospital Days. Authorization for any associated surgical procedures would need to be submitted using a 50-1 TAR and the specific CPT-4 codes that are applicable.
  - The required documentation for a TAR requesting approval of each day would consist of all necessary documentation to establish the medical necessity for the requested inpatient acute hospital days. This documentation may consist of the History and Physical, daily medical progress notes, nursing notes, laboratory results, imaging reports, prior inpatient or outpatient records, and/or discharge summary, etc. In addition, if any procedures are being requested on the same 50-1 TAR, documentation establishing the medical necessity for these procedures would also be required.

Please refer to the *TAR Completion* (tar comp) section and *TAR Request for Extension of Stay in Hospital* (Form 18-1) (tar req ext) for specific explanations of the 50-1 and 18-1 form items with descriptions.

For additional information regarding Emergency and Pregnancy related care please refer to the Medi-Cal Manual of Criteria (MOC) Chapter 4 and 42 C.F.R Section 440.255.

### **Private Hospital Level 1 Administrative Day Treatment Authorization Requests (TARs)**

A Level 1 acute administrative day (billed with revenue code 169, room and board, other) is used to reimburse acute inpatient providers for services rendered to a patient awaiting placement in a Nursing Facility Level A (NF-A) or Nursing Facility Level B (NF-B). The patient's medical and nursing care needs must meet the requirements for placement in a Level A or Level B facility. Acute administrative days are subject to authorization by local Medi-Cal field office consultants.

- Each day requires authorization on an 18-1 TAR form. For these TARs, the units of service for Level 1 Acute Administrative Days (Type of Day is 2) would depend upon the number of requested Acute Administrative Days.
- For authorization of Level 1 Acute Administrative Days the beneficiary must be at the appropriate level of care awaiting placement in a NF-A or NF-B with documented placement efforts.
- The required documentation for a Level 1 Administrative Day would consist of all necessary documentation to establish the medical necessity for the requested days. This documentation may consist of the History and Physical, daily medical progress notes, nursing notes, laboratory results, imaging reports, prior inpatient or outpatient records, and/or discharge summary, etc., but must document placement efforts and the patient's medical and nursing care needs meeting the requirements for placement in a NF-A or NF-B.

For additional information regarding Level 1 Acute Administrative Days please refer to the *Administrative Day Level 1* section of the Medi-Cal Provider Manual and the Medi-Cal Manual of Criteria (MOC) Chapter 5.3.

### **Private Hospital Level 2 Administrative Day Treatment Authorization Requests (TARs)**

A Level 2 acute administrative day for a pediatric patient (billed with revenue code 190, room and board, subacute pediatric) is used to reimburse acute care inpatient providers that participate in the Medi-Cal diagnosis-related group methodology established pursuant to Section 14105.28, for services rendered to patients under 21 years of age

with fragile medical conditions awaiting placement in a Nursing Facility Level B (NF-B). The patient's medical and nursing care needs must meet the requirements outlined in the *Subacute Care Programs: Pediatric* section of the Medi-Cal Provider Manual and the Manual of Criteria Chapter 7. Level 2 acute administrative days for the pediatric population are subject to authorization by the local Medi-Cal field office consultants.

A Level 2 acute administrative day for an adult patient (billed with revenue code 199, room and board, subacute adult) is used to reimburse acute inpatient providers that participate in the Medi-Cal diagnosis-related group methodology established pursuant to Section 14105.28, for services rendered to patients 21 years of age and older with fragile medical conditions awaiting placement in a Nursing Facility Level B (NF-B). The patient's medical and nursing care needs must meet the requirements outlined in the *Subacute Care Programs: Adult* section of the Medi-Cal Provider Manual and the Manual of Criteria Chapter 7. Level 2 acute administrative days for the adult population are subject to authorization by the local Medi-Cal field office consultants.

- Each day requires authorization on an 18-1 TAR. For these TARs, the units of service for Level 2 Acute Administrative Days would depend upon the number of requested Level 2 Acute Administrative Days.
- For authorization of Level 2 Acute Administrative Days the beneficiary must be at the appropriate level of care awaiting placement in a NF-B with documented placement efforts.
- The required documentation for a Level 2 Acute Administrative Day for an adult would consist of all necessary documentation to establish the medical necessity for the requested days. This documentation may consist of the History and Physical, daily medical progress notes, nursing notes, laboratory results, imaging reports, prior inpatient or outpatient records, and/or discharge summary, etc., but must document placement efforts and the patient's medical and nursing care needs must meet the requirements outlined in the *Subacute Care Programs: Adult* section of the Medi-Cal Provider Manual and the Manual of Criteria Chapter 7.
- The required documentation for a Level 2 Acute Administrative Day for a pediatric patient would consist of all necessary documentation to establish the medical necessity for the requested days. This documentation may consist of the History and Physical, daily medical progress notes, nursing notes, laboratory results, imaging reports, prior inpatient or outpatient records, and/or discharge summary, etc., but must document placement efforts and the patient's medical and nursing care needs must meet the requirements outlined in the *Subacute*

*Care Programs: Pediatric* section of the Medi-Cal Provider Manual and the Manual of Criteria Chapter 7.

For additional information regarding Level 2 Acute Administrative Days level of care requirements please refer to the *Subacute Care Programs: Pediatric* section and the *Subacute Care Programs: Adult* section of the Medi-Cal Provider Manual and the Medi-Cal Manual of Criteria (MOC) Chapter 7.